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DE RUEHVJ #0100/01 0261454
ZNY CCCCC ZZH
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FM AMEMBASSY SARAJEVO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9578
INFO RUEHLO/AMEMBASSY LONDON 0120
RUEHFR/AMEMBASSY PARIS 0085
RUEHRO/AMEMBASSY ROME 0165
RUEAIIA/CIA WASHINGTON DC
RUEHBS/USEU BRUSSELS
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RUEKJCS/SECDEF WASHDC
RUEHNO/USMISSION USNATO 0266
RHEHNSC/NSC WASHDC
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RUEHKO/AMEMBASSY TOKYO 0009

C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 000100

C O R R E C T E D C O P Y - ADDRESSEES CORRECTED

SIPDIS
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DEPARTMENT FOR EUR(JONES), EUR/SCE(FOOKS/STINCHCOMB); NSC
FOR HELGERSON/WILSON; OSD FOR BEIN

E.O. 12958: DECL: 01/01/2017
TAGS: [PGOV](#) [PREL](#) [PINR](#) [BK](#)
SUBJECT: BOSNIA - LAJCAK'S DEPARTURE PRESENTS CHALLENGES
AND OPPORTUNITIES

REF: SARAJEVO 88

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Classified By: Ambassador Charles English. Reasons 1.4(b) and (d).

11. (C/NF) SUMMARY: Despite his lackluster performance
Miroslav Lajcak's January 23 decision to resign as High
Representative has created a political vacuum in Bosnia. Our
judgment is that the EU and an EUSR are not ready to fill it,
which means we will need to move quickly to find a
replacement for Lajcak. We believe that the new HighRep
should come from a strong European country whose national
Bosnia policy is not aimed at immediate closure of OHR or at
watering down on the Peace Implementation Council's (PIC)
5-plus-2 agenda to secure closure; in other words we need a
Brit. We should continue to insist on full implementation of
the 5-plus-2 agenda, particularly as it relates to Brcko, but
if we are to make an effort to stabilize Bosnia, much more is
required. Lajcak's departure provides us with an opportunity
for a ground-up review of our Bosnia policy, the outcome of
which should inform our search for a new HighRep. Whatever
course we take, we should expect challenges from the
international and Bosnian domestic front, particularly the
Russians and Bosnian Serbs. Bosnia has been headed in the
wrong direction for nearly three years -- even Partnership
for Peace (PFP) membership and the signing of a Stabilization
and Association Agreement (SAA) have been trumped by the
narrow, nationalist agendas of the country's Serb, Bosniak
and Croat leadership. Finding the right HighRep to replace
Lajcak has the potential to be the first step in what will
undoubtedly be a long process of getting Bosnia back on
track. END SUMMARY

Naming a New HighRep: Process Basics

12. (C) On January 23, Miroslav Lajcak publicly confirmed that
he would be stepping down as HighRep in order to become
Foreign Minister of Slovakia (Reftel). He flew to Bratislava
over the weekend to take the oath of office for his new job

today, January 26. The PIC or the PIC Steering Board must now designate a successor. This person presumably also serve as EUSR -- as all HighReps have since Paddy Ashdown -- unless the PIC takes the decision to split OHR and EUSR, something we would counsel against. Though there has been speculation in the Bosnian press that the new HighRep will be an American, by tradition it has always been a European. This is a tradition we would strongly recommend not/not breaking. Once the PIC has reached consensus on a successor, the practice has been for the UNSC to adopt a resolution "agreeing to the designation" (the language used in four of six UNSC resolutions) something the Russians have already signaled they will insist upon.

An International Community Leadership Vacuum

¶3. (C/NF) Lajcak leaves OHR weaker than he found it. OHR's credibility and authority, already weak when Lajcak took over from Schwarz-Schilling, declined further with Lajcak's poor handling of the October 2007 imposition crisis (in which he all but ceded control of the Bonn Powers to Dodik and the Serbs), his feckless management of police reform negotiations, and his passive approach to securing meaningful implementation of the PIC's 5-plus-2 agenda. His internal management and communication style have also been lacking. Outside Lajcak's personal cabinet, OHR staff are privately overjoyed that Lajcak is leaving. But weak as Lajcak was, his presence provided at least tattered political cover for OHR's credibility problems. For example, he still nominally held the Bonn Powers (Note: Bonn Powers reside exclusively with the person of the HighRep and cannot be delegated. End Note) Lajcak's resignation fully exposes the emperor and creates a political vacuum in Bosnia, which Bosnian politician are certain to exploit.

¶4. (C/NF) Our judgment is that the EU is not ready to fill the international community leadership vacuum created by

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Lajcak's departure, though some within the EU, and almost certainly the Russians, will likely argue that Lajcak's departure opens a shortcut for transition from OHR to EUSR. Based on Bosnia's poor performance meeting EU requirements since signing an SAA, we must face the fact that the prospect of European Union membership, by itself, is not enough to overcome the still deep political differences in Bosnia or ensure reform here is self-generating. In fact, Dodik is increasingly challenging the EU head-on declaring that EU membership, if it comes at the expense of additional state-building reforms, is not worth it for the RS.

Finding Mr. or Ms. Right -- Urgently

¶5. (C/NF) This argues for moving quickly to find a replacement for Lajcak. Keeping Lajcak on in some ad hoc capacity for an extended period that involves his flying in and out of Bosnia periodically while the Principal Deputy HighRep (PDHR) exercises day-to-day authority over OHR is unworkable. We need a strong, capable and credible replacement capable of doing two things at an absolute minimum. First, the new HighRep must ensure the PIC's 5-plus-2 agenda is met without compromise. Full implementation of 5-plus-2 is essential for a successful OHR-EUSR transition and for ensuring the EU is at least in a minimally credible position to manage post-OHR Bosnia. Second, the new HighRep must be prepared to defend the state and the reforms of the last 14 years from the now near constant assault by local politicians, primarily the Serbs. This means being willing to use the Bonn Powers to impose changes or remove obstructions.

¶6. (C/CF) We need to keep the above in mind as we weigh who should be the new HighRep. A repeat of our experience with Schwarz-Schilling or Lajcak would make it more difficult for

us to ensure Bosnia's security and stability and protect our 14-year investment here. From our perspective, this means the new HighRep should come from a country whose national Bosnia policy is not aimed at immediate closure or hedging on 5-plus-2 to get there; in other words, the new HighRep should not be French, Italian, or Swedish. (Note: An Italian presents another problem, since it would put the Italians in control of the top three IC leadership positions in Bosnia -- HighRep, COM EUFOR, and COM NATO HQ. End Note) We also believe the new HighRep must come from a country with the capacity and resources in his/her capital to drive Bosnia-policy within the EU. Our ideal candidate would be a high-profile Brit, and we should make our preferences known soonest before the Europeans or EU bodies present us with a fait accompli. And to avoid the effects of such an appointment becoming moot through extended delay, we need action on this completed in weeks, not months.

Should We Try To Stabilize Bosnia

17. (C/NF) Stabilizing Bosnia and ensuring that it is on a self-sustaining path towards Euro-Atlantic integration will require much more than completing OHR's 5-plus-2 agenda, however. It will require robust action and engagement by the U.S. and the international community as well as a reinvigorated OHR. It will also require modernizing a Dayton state that is weak and structurally incapable of meeting its Euro-Atlantic commitments, something the Bosnians cannot do on their own. Two years of emphasis by the Europeans on "ownership" (in effect, benign neglect) has increased the scope of this challenge by emboldening those who want to take apart the Bosnian state, particularly the Serbs. We have already heard disturbing rumblings from some Europeans here that the EU may have to (or would be willing to) accept Bosnia's partition and the integration of three separate ethnically-based states into the EU.

Expect Challenges -- International and Domestic

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18. (C) Whether we stay the current course in Bosnia or adjust our policy, we can expect challenges from both the international and Bosnian domestic front. Russia will insist on their own strict interpretation of the HighRep secession process (i.e., a UNSC endorsement), but will also likely use its leverage to seek concessions of some sort on the new HighRep's mandate or a closure date for OHR. Dodik could reverse course and accept a state property and Brcko settlement to our liking that puts pressure on us to close OHR even if we conclude greater international engagement beyond 5-plus-2 is required. Dodik is also likely to provoke a confrontation over a state-level investigation into RS corruption that targets him and his close associates. The investigation has a momentum all its own in part because the scale of the alleged graft is so large that it is impossible to ignore. In any case, Dodik is unlikely to end his challenges to the state until he is successfully confronted and suffers a clear political defeat. In other words, getting Bosnia right means preparing for just such a confrontation.

Comment

19. (C/NF) The longer the post of HighRep is vacant the less likely it is that the new HighRep will have the authority required to get us successfully through 5-plus-2 (let alone beyond, should we decide to rethink our exist strategy). We need to galvanize European understanding that urgent action is required. We must press our case now about what kind of HighRep we are looking for. In preliminary conversations with us, our Quint colleagues in Bosnia have all endorsed this approach, though we cannot be certain whether this

reflects views in their capitals. Regardless, U.S. prestige and credibility have been inextricably linked to Dayton's implementation and broader efforts to ensure Bosnia enjoys a democratic, prosperous, and secure future inside NATO and the EU. Unfortunately, Bosnia is now going in the wrong direction and its ultimate destination will likely have repercussions for U.S.-led nation-building efforts in other parts of the world. Lajcak's departure presents us with several challenges, but also with an important opportunity to get Bosnia back on track.

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